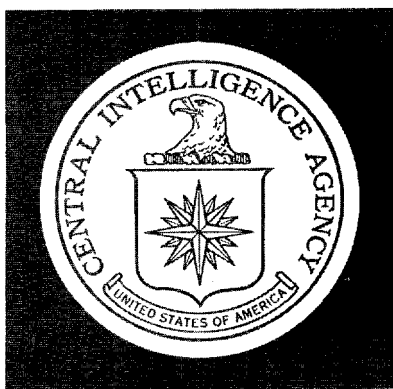


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Central Intelligence Bulletin

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NOTE

This is a new Secret daily publication, the Central Intelligence Bulletin. It replaces the Current Intelligence Digest, which no longer is being published.

The new publication is prepared in consultation with the Departments of State and Defense. It should provide the readership with more timely treatment of relevant intelligence than its predecessor.

Any comments on the new daily will be welcomed at the Office of Current Intelligence, Central Intelligence Agency.

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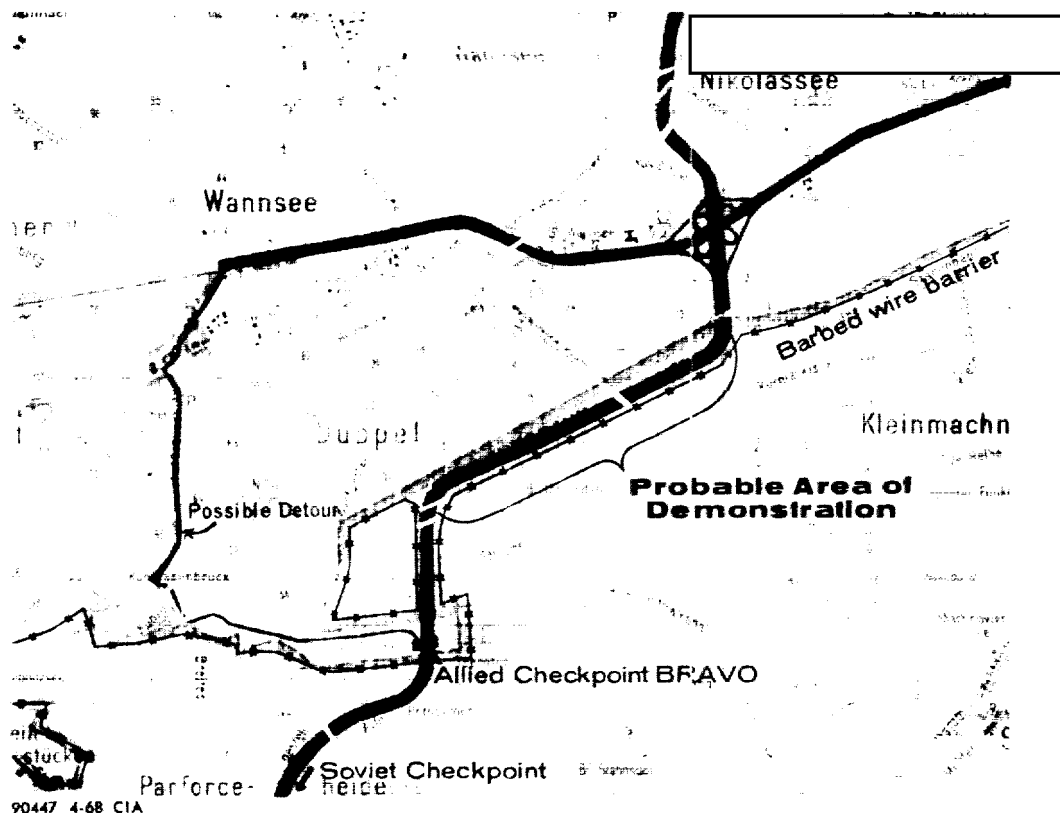
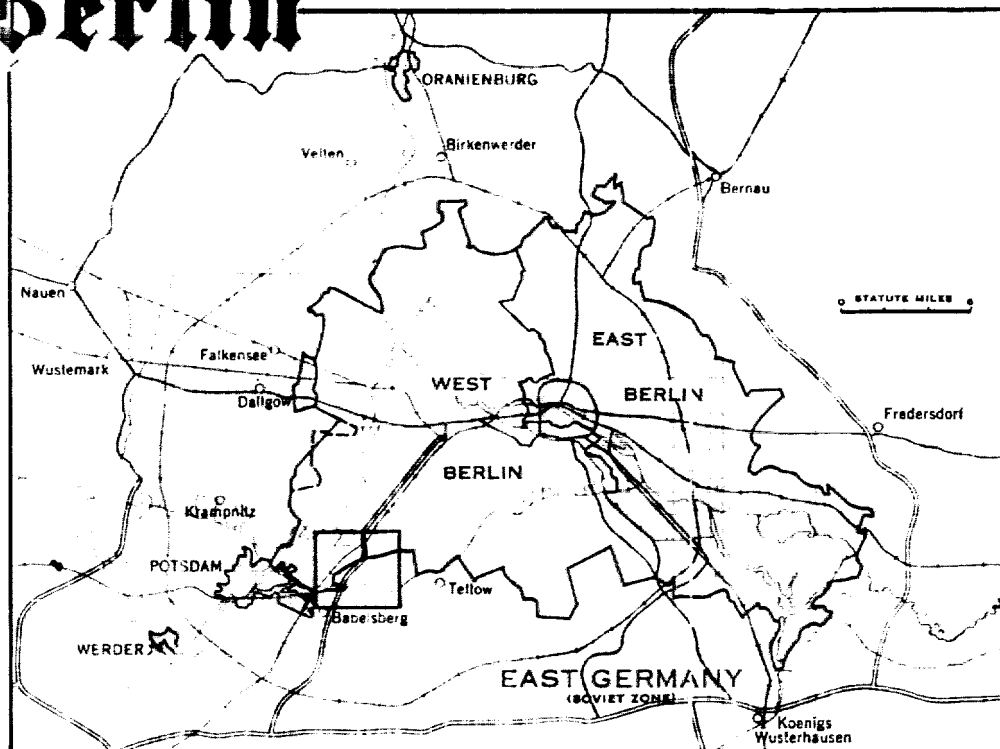
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Europe: There may be disorders, some serious, during May Day observations in several European countries.

In West Germany, radical student groups and Communists are expected to attempt to organize rallies and other ceremonies in a number of cities. [In West Berlin, leftist student groups are planning demonstrations and have the support of the Communists, who have appointed a special coordinator for the May Day "happening."]

Serious trouble may result if West Berlin students persist in their plans to stage a sit-down blocking the autobahn between checkpoint Bravo and the West Berlin city limits.

In France, the Communist-dominated General Confederation of Labor has scheduled the first large-scale May Day demonstration in the Paris region since 1954. [In Spain, the illegal workers' commissions, supported by other oppositionist labor groups and the Communist Party, plan demonstrations against the regime throughout the nation. The Spanish security forces plan preventive arrests of leaders.] In the UK, various elements are planning to demonstrate for and against Conservative Enoch Powell, who has led the opposition to the government antidiscrimination bill.

In most smaller countries of Western Europe the usual rival May Day parades and rallies will be organized by the Social Democrats and the Communists. Most of these rallies will be under the effective control of local labor and Social Democratic party organizations. Vienna may be an exception because extremists are expected to try to turn the celebrations into an anti-US demonstration.

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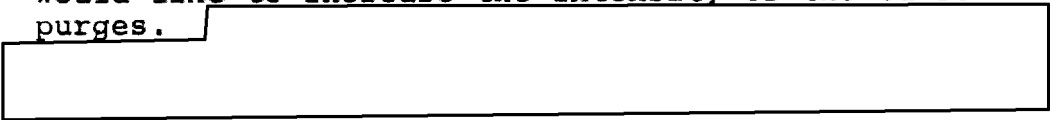
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In Poland, students reportedly plan to use official celebrations on 1 May as a backdrop for resumed antiregime demonstrations. By raising economic issues, they hope to obtain worker support which they did not receive during the disturbances in March. Any new violence would probably play into the hands of the hard-line party faction, which would like to increase the intensity of the current purges.



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Hungary: Hungarian Premier Jeno Fock has expressed his satisfaction with general trends in Czechoslovakia.

In an interview broadcast immediately following one by Czechoslovak Premier Oldrich Cernik on 24 April, Fock said that developments in Czechoslovakia "will provide an answer to countless problems and questions...alive in Hungarian public life." This is the first public statement by a Hungarian leader that the changes in Czechoslovakia might be applicable to Hungary.

A few days earlier party boss Kadar made a policy speech which carried no such implications. The difference in tone does not, however, indicate internal disagreement but rather a more relaxed attitude toward the Czechoslovak reforms by the Hungarian regime.

Fock discussed several other current topics. He praised the implementation of the economic reforms, but warned that management was being too cautious in using its new authority. Fock also touched on the delicate problem of the reforms' effect on cooperation within CEMA, saying that the Hungarians must not be overly insistent on using their new economic system as the basis for such cooperation.

Fock reviewed his recent trip to France and characterized it again as a "turning point" in French-Hungarian relations. Although he mentioned a divergence of views on the German problem--especially regarding the Federal Republic--Fock claimed that French relations could be termed "particularly good." No mention was made of his failure to obtain an agreement which would correct Hungary's trade imbalance with France.

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Jordan: The cabinet reshuffle announced in Amman last week reflects in part the internal difficulties growing out of Israeli reprisals.

One of the four ministers removed from the cabinet was Minister of Interior Hasan al-Kayyid, who had alienated Prime Minister Talhouni by failing to clear a statement attacking the Arab terrorists. The US Embassy discounts speculation that Jordan is adopting a softer policy toward the terrorists. Nonetheless, Kayyid's disputed statement in February and his removal now following stepped-up Israeli attacks suggest how hazardous it has become for the government publicly to oppose terrorism in the face of Israel's reprisals.

The principal result of the shakeup has been to increase Talhouni's control over the government. He has accomplished this by removing, in addition to personal antagonists such as Kayyid, such "deadwood" as figurehead Minister of Defense Field Marshal Habis al-Majali. The net reduction in the size of the cabinet is an objective Talhouni and King Husayn have shared for some time.

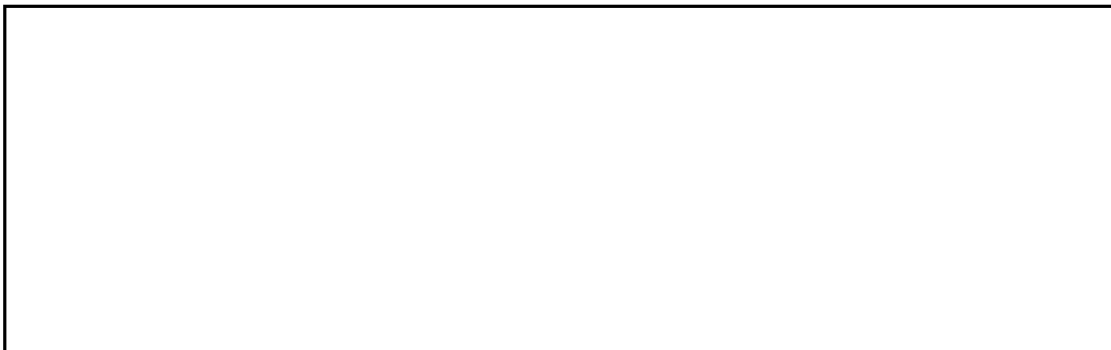
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India: [Discord among top Congress Party leaders in Kashmir may lead to increased difficulties for the state's ruling Congress Party.]

[The unpopular Congress regime reportedly is threatened by a growing rift between chief minister G. M. Sadiq and a group led by state party president Mir Qasim and finance minister D. P. Dhar. This triumverate has dominated Congress Party politics in Kashmir since the Sadiq government came to power in early 1964.]



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Congress Party leaders in New Delhi may intervene before an open split occurs, but Sadiq could well be a casualty in such an operation. Regardless of the outcome, Congress rule is likely to be further discredited at a time when opposition leader Sheikh Abdullah, recently released from detention in New Delhi, is re-establishing his credentials as the overwhelming favorite of Kashmir's Muslim majority.



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India: Steel Minister Chenna Reddy resigned from the cabinet on 27 April. He had reportedly been under pressure from Prime Minister Indira Gandhi to leave since his election to the state assembly last year was voided by an Andhra Pradesh state high court because of "corrupt practices."



The cabinet vacancy provides a good opportunity for the broad shuffle of portfolios that has long been rumored. There are no indications of what changes will ensue, but Mrs. Gandhi may want to give up the foreign affairs responsibilities she assumed after M.C. Chagla resigned from the cabinet last fall.



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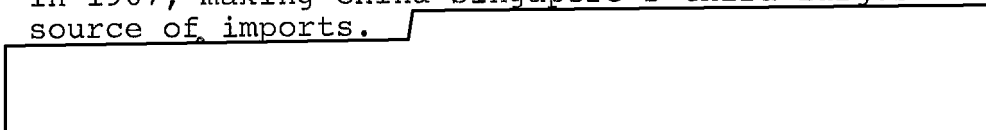
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Singapore: The government plans to set up a state trading company to control the growing trade with Communist countries, especially Communist China.

The move, according to Finance Minister Goh, reflects Singapore's fear that this trade could serve as a channel to finance subversion. It also probably reflects government sensitivity to Indonesian suspicions that the Chinese Communists are using this trade to support subversion in Singapore and elsewhere.

In an effort to minimize criticism expected from private traders, who now deal directly with Communist countries, Singapore probably will offer the business community a 49-percent share in the proposed company.

Trade with Communist China, Singapore's largest Communist trading partner, increased sharply in 1967, making China Singapore's third largest source of imports.



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Uruguay: Chronic political and economic instability is highlighted by a new cabinet crisis and the fifth devaluation in little over a year.

The crisis began on 26 April with the senate's censure of pro-US Foreign Minister Hector Luisi on a political issue. Luisi promptly resigned. Then Senator Ferreira of the opposition Blanco Party precipitated the resignation of Labor Minister Guzman Acosta y Lara by charging that he misused his position for private gain. The nine remaining ministers also resigned in order to give the President a free hand in restructuring the cabinet. Pacheco accepted their resignations but asked them to stay on at least temporarily.

Pacheco reorganized his cabinet and top economic offices only last month. His aim was to include representatives of all factions of the divided Colorado Party in the hope of obtaining legislative support for his economic austerity program.

Pacheco has stated publicly that he may now reorganize his cabinet along nonpartisan lines. So far, he has given every indication that he intends to pursue his current economic and stabilization policies.

On 29 April Uruguay devalued the peso from 200 to the dollar to 250. It was 99 to the dollar last November.



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Tanzania-USSR: A delegation of senior Tanzanian military officers, visiting Moscow for the May Day celebrations, may be seeking more modern military equipment. There has been increasing talk at army headquarters in recent weeks about acquiring fighter aircraft to counter the "threat" posed by the Portuguese and Rhodesian air forces. Dar es Salaam discussed the availability of jet fighters with both Moscow and Peking about a year ago. Peking has supplied the bulk of Tanzania's military equipment to date and has usually offered the best terms.

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North Korea: Military and national security officials have apparently been raised to more important positions in the North Korean leadership. The listing of leaders attending the Supreme Peoples Assembly on 25 April indicates the promotion of General Choe Hyon, Foreign Minister Pak Songchol, and Defense Minister Kim Chang-pong over the heads of other senior officials to the 5th, 6th, and 7th ranking positions in the hierarchy. Choe, who is closely associated with the training and dispatch of guerrillas against the South, was previously in 9th position. Kim, who has been defense minister since 1962, was 10th and Pak 11th.

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Congo (Kinshasa): Several Eastern European countries, most recently Czechoslovakia, are interested in developing trade [and investment ties] with the Congo. Kinshasa has welcomed these overtures, mainly to enhance its neutralist image. It is doubtful, however, that trade will increase significantly or that much in the way of aid [or investment] will be forthcoming. Some Eastern European countries are offering technicians, but on the condition that the Congo pay their salaries and transportation costs.

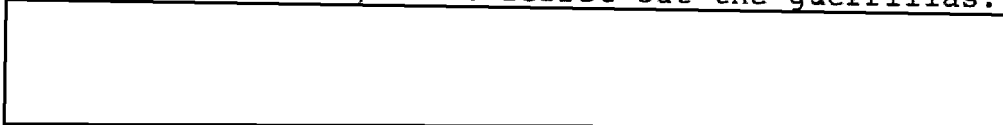
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Venezuela: Government officials have confirmed reports of another clash with an element of Douglas Bravo's guerrilla band on 23 April. Three guerrillas and one soldier were killed in the firefight near the coastal town of Zazarida in Falcon state. On 17 April government forces killed or wounded 14 guerrillas in neighboring Yaracuy state.

The government claims that its troops are in hot pursuit of the guerrillas and that there may be further encounters. The military, however, will be hampered by shortages of ammunition and weapons in the units assigned to ferret out the guerrillas.



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